

# *Life enhancement solutions for industrial applications*



34<sup>th</sup> Annual Report 2008-09



Ador Fontech Limited

## Ador Fontech Limited

### The Board of Directors

Mrs. N Malkani Nagpal     Chairman  
 Mr. H P Ledwani             Managing Director  
 Mr. N Srinivasan  
 Mr. A T Malkani  
 Mr. Navroze Shiamak Marshall  
 Mr. Sanjeet Thadani

### Company Secretary

Ms. Geetha D

### Management Team

Mr. H P Ledwani  
 Mr. M J Kurian  
 Mr. Muneesh Narain  
 Mr. P Ramachandran  
 Mr. P Vishwanathan  
 Mr. Rajesh V Joshi  
 Mr. S V Puntambekar  
 Mr. Melville Ferns

### Registered and Corporate Office

Belview, 7, Haudin Road, Bangalore 560 042.

### Registrar and Share Transfer Agent

Alpha Systems Private Limited, No.30, Ramana Residency  
 Sampige Road, Malleswaram, Bangalore 560 003.

### Auditors

Amarnath Kamath and Associates  
 Chartered Accountants  
 Carewel House, 6<sup>th</sup> Cross, Muniswamappa Layout, Opp. Kemp Fort  
 Off Airport Road, Bangalore 560 017.

### Bankers

HDFC Bank Limited  
 The Bank of Nova Scotia

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Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Hotel Ajantha, 22-A, Mahatma Gandhi Road, Bangalore 560 001 on Thursday, July 16, 2009 at 11.30 hours to transact the following business.

## Ordinary Business

### 1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit and Loss account for the year ended on that date, together with the Report of the Directors and the Auditors thereon.

### 2. Declaration of Dividend

To declare dividend for the financial year ended March 31, 2009.

### 3. Re-appointment of Mrs. N Malkani Nagpal

To appoint a Director in place of Mrs. N Malkani Nagpal, who retires by rotation and being eligible, offers herself for re-appointment.

### 4. Appointment of Statutory Auditors

To appoint M/s. Amarnath Kamath and Associates, Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

## Special Business

### 5. Appointment of Mr. Navroze Shiamak Marshall

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Navroze Shiamak Marshall, who was appointed as Additional Director of the Company and who holds office up to the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 123 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

### 6. Appointment of Mr. Sanjeet Thadani

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Sanjeet Thadani, who was appointed as Additional Director of the Company and who holds office up to the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 123 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

### 7. Appointment of Branch Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Section 228 and other applicable provisions of the Companies Act, 1956, and amendments thereof, the accounts for the year ending March 31, 2010 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and that the Board of Directors be and is hereby authorised to decide and appoint such Branch/Unit Auditors in consultation with the Company's Auditors and fix their remuneration and terms and conditions”.

## Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy form in order to be valid must be lodged at the Registered office of the Company, not later than forty eight hours before the commencement of the meeting.

- The 'Register of Members' and 'Share Transfer Books' will remain closed from July 06, 2009 to July 16, 2009 (both days inclusive).
- Members are requested to notify immediately changes, if any, in their address/bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar and Share Transfer Agent - Alpha Systems Private Limited - with all necessary details, in respect of physical share folios.
- Nomination facility is available as per the provisions of the Companies Act, 1956. Those who wish to avail themselves of this facility may send in their nomination forms (Form 2B) either to the Registrar or to the Company at its Registered Office.
- Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of seven years from the date of declaration would be transferred to the 'Investor Education and Protection Fund'. As such, Shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous year(s).

Details of unclaimed dividends:

Year	Amount (Rs.)
2001-02	1,86,381
2002-03	2,47,202
2003-04	2,20,497
2004-05	3,73,571
2005-06	5,03,288
2006-07	5,02,115
2007-08	5,63,975
Total	25,97,029

## Notice

- f. To ensure prompt remittance of dividends, we recommend the Shareholders to utilise the ECS scheme of the Reserve Bank of India. Kindly send photocopy of a cancelled cheque along with a request letter to the Registrar and Share Transfer Agent (Alpha Systems Private Limited) or to the Depository Participant for shares held in physical and electronic form respectively.
- g. Members are requested to send all share transfer lodgements (physical mode) to the Registrar and Share Transfer Agent (Alpha Systems Private Limited).

### Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

#### Item no. 5

Mr. Navroze Shiamak Marshall was appointed as Additional Director by the Board of Directors on April 29, 2009. Further, the Company has received notice along with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Navroze Shiamak Marshall as Director. Hence, the resolution is placed before the Shareholders for approval.

The Board recommends the resolution set out at item no. 5 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. Navroze Shiamak Marshall, as it pertains to his appointment.

#### Item no. 6

Mr. Sanjeet Thadani was appointed as Additional Director by the Board of Directors on April 29, 2009. Further, the Company has received notice along with requisite deposit from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Sanjeet Thadani as Director. Hence, the resolution is placed before the Shareholders for approval.

The Board recommends the resolution set out at item no. 6 for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. Sanjeet Thadani, as it pertains to his appointment.

#### Item no. 7

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and amendments there of, to audit the accounts, for the year ending March 31, 2010 and to fix their remuneration.

The Board recommends the resolution set out at item no. 7 for approval.

No Director of the Company is concerned or interested in the said resolution.

### Brief profile of the Directors

- (i) Mrs. N Malkani Nagpal

*Educational qualification:* MBA

*Directorship in other Companies:* J B Advani and Company Private Limited; Ador Welding Limited; Ador

Multiproducts Limited; Piem Hotels Limited and Ador Green Energy Private Limited.

*Member of Board Committees:* Shareholders/Investors' Grievance and Remuneration Committee member of Ador Welding Limited.

*Work experience:* J B Advani and Company Private Limited (2005-Present); Ador Technopak Limited (2002-05); Ador Finance Limited (1998-02); Ador Welding Limited (1995-97); JBA Printing Inks Private Limited (1993-95).

*Specific area of expertise:* Finance

*Number of shares held in the Company:* 3,470

- (ii) Mr. Navroze Shiamak Marshall

*Educational qualification:* MBA

*Directorship in other Companies:* J N Marshall Engineering Private Limited; Langford Estates Private Limited; Marshall Poultry Farm (India) Private Limited; S J Marshall Trading Company Private Limited; Powair Automation Equipments Private Limited; Jiji Marshall Trading Company Private Limited; J N Marshall Private Limited; Diamtools Private Limited; Desmet Ballestra India Private Limited and Simmonds Marshall Limited.

*Work experience:* Managing Director-Simmonds Marshall Limited (2002-Present); 'Application Development Engineer' in 'Honeywell' with specialisation in the development of new metal injection molding technology (1998-01).

*Specific areas of expertise:* Engineering, Marketing and Leadership.

*Number of shares held in the Company:* Nil

- (iii) Mr. Sanjeet Thadani

*Educational qualification:* MS (Electrical Engineering) from Santa Clara University, USA and BE (Electronics Engineering) from Bombay University, India.

*Directorship in other Companies:* CEO and Director of Business Development - Cell Technology Inc., USA - Biotech Company (2004-Present); CEO and President - IndUs IT Inc., USA - Outsourcing Company (2002-Present).

*Work experience:* Founding Investor and Marketing Liaison-People.com Consultants Inc. (1996-00); Technical Lead and Founding Member-Flashpoint Technology Inc. (1997-00); Imaging Engineer-Apple Computer Inc. (1996-97); Software Engineer-Compression Labs Inc. (1994-96); Student Intern-Hewlett Packard Labs Inc. (1993-94).

*Specific area of expertise:* Engineering

*Number of shares held in the Company:* 2,000

### Disclosure in terms of Clause 49 (IV)(G)(ia) of the Listing Agreement

There are no inter-se relationships between the Board members.

By order of the Board  
For **Ador Fontech Limited**

Mumbai  
April 29, 2009

**Geetha D**  
Company Secretary

## Directors' Report

To the Members,

We are delighted to present the Annual Report of the Company for the year ended March 31, 2009.

### 1. Financial Highlights

(Rs. in Lakhs)

Details	2008-09	2007-08
<b>Turnover</b>	<b>10702</b>	<b>10106</b>
Operating profit	1,598	1,487
Interest	-	-
Depreciation	144	106
Profit before tax	1,454	1,381
Provision for taxation	512	499
<b>Net profit for the year</b>	<b>942</b>	<b>882</b>
Taxation relating to earlier years	24	(10)
Profit b/f from the previous year	408	141
Amount available for appropriation	1,374	1,013
<b>Appropriations</b>		
Transfer to General Reserve	854	400
Proposed Dividend	175	175
Distribution tax thereon	30	30
Balance carried to Balance Sheet	315	408

### 2. Dividend

The Board of Directors are happy to recommend a dividend of fifty percent on the paid up share capital of the Company for the financial year ended March 31, 2009 (same as previous year).

### 3. Review of Business Operations

Your Company has strived to maintain its consistent track record of growth during the financial year 2008-09, in spite of the core sector industries to which the Company caters having witnessed slowdown, in terms of production and capacity utilisation. The Company's marketing and operational strategies coupled with a well balanced portfolio of product mix, has largely contributed to the turnover and profitability of the organisation. In particular, the foreign business contacts have enabled transfer of technical expertise in import and marketing of sophisticated machineries at competitive costs to the customers in India.

Going forward, with the general business syndrome reflecting a possible deferment and cautious approach towards capital expenditure, it is expected that repair and refurbishment segment, should thrive on providing cost effective and value added solutions. This would be to the advantage of not only the customers, but also the industrial sector, in terms of optimum conservation of scarce natural resources.

### 4. Directors' Responsibility Statement

In the preparation of the financial statements the Board of Directors of the Company has ensured that:

- a. The applicable accounting standards have been followed.

- b. The accounting policies are reasonable, prudent and are consistently followed to give a true and fair view of the state of affairs of the Company.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities.
- d. The annual accounts have been prepared on an on-going concern basis.

### 5. Directors

Mr. Navroze Shiamak Marshall and Mr. Sanjeet Thadani were appointed as Additional Directors on April 29, 2009. The Company has received notice sponsoring their candidature for appointment as Directors by the Members. Further, Mrs. N Malkani Nagpal retires at the ensuing Annual General Meeting and being eligible seeks re-appointment. Their presence in the Board would add value collectively in terms of organisational development.

Mr. RA Mirchandani resigned from the Board on April 29, 2009. The Board records his services as Director during his tenure of office.

### 6. Corporate Governance

The Corporate Governance Report and Certificate obtained from the Auditors of the Company are attached to this report.

### 7. Auditors

M/s. Amarnath Kamath and Associates, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment. The Branch Auditors will be appointed in consultation with the Statutory Auditors.

### 8. Fixed Deposits

The Company has not accepted fixed deposits and as such no amount was outstanding as on the date of the Balance Sheet.

### 9. ISO Certification

During the year 2008-09, the Company was in receipt of ISO 9001:2000 certificate from Det Norske Veritas (DNV). The certificate is valid from June 10, 2008 to June 10, 2011 and the scope covers manufacture and supply of welding consumables, equipment, reclamation, resurfacing and refurbishment services of metallic components.

### 10. Participation in Exhibitions and Awards

The Company has during the year successfully participated in the 'Naval Dockyard Technical Exhibition-2008' and 'Weld India Expo 2009', which together showcased the Company's proven capabilities.

### 11. Human Resource Management (HRM)

Manpower has been the greatest source of strength and asset to the organisation. It is believed that nurturing and leveraging talents is one of the vital areas for increasing productivity. In this direction, the Company has been

## Directors' Report

advocating the concept of 'People Management Practices'. This involves development of core competence and talents inherent in the employees. The resultant factor facilitates growth of the employees and the organisation.

### 12. Employees

As has been in the past, the industrial relations with the employees of the Company continues to be harmonious, cordial and peaceful.

Further, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this report and accounts are being sent to the Shareholders of the Company excluding the statement of particulars of Employees under Section 217 (2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said statement may write to the Company at the Registered Office and the same will be sent by post.

### 13. Particulars of Disclosure

The information required under the Companies Act, 1956 and the amendments thereof is enclosed.

### 14. Corporate Social Responsibility (CSR)

The Company has donated to 'Charitable Trusts' which help in terms of education, medical aid as also relief to the weaker sections of the society, particularly destitute and orphans.

### 15. Acknowledgements

The Board of Directors thank the Shareholders, Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government agencies for their continued patronage and support.

Further, wish to place on record our appreciation to the contribution made by the employees at all levels. Consistent growth has been made possible by their hard work and dedication.

On behalf of the Board  
For **Ador Fontech Limited**

**N Malkani Nagpal**  
Chairman

Mumbai  
April 29, 2009

## Annexure to the Directors' Report

### Under Section 217 (1) (E) of the Companies Act, 1956

Additional information in terms of notification no. 1029 dated 31.12.98 by the Department of Company affairs.

#### Conservation of Energy:

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

#### Research and Development (R and D):

1. Specific areas in which R and D has been carried out: Efforts are being made to develop special purpose flux-cored wires and electrodes to further improve the product range.
2. Benefits derived as a result of the above R and D:
  - a. Conservation of basic raw materials coupled with low cost and longer life.
  - b. Improvement in product quality.
3. Future plan of action: To make further progress on areas enunciated in item nos. 1 and 2 above.
4. Expenditure on R and D
  - a. Capital : Nil
  - b. Recurring : As of now, it is being maintained as an ongoing part of production activities and a separate head of account is not maintained.
  - c. Total : Not applicable
  - d. Total R and D expenditure as a percentage of total turnover: Not applicable

#### Technology Absorption and Innovation:

1. Efforts in brief made towards technology absorption and innovation: Locally available raw materials are utilised to gain maximum advantage.
2. Benefits derived as a result of the above efforts:
  - a. Product improvement.
  - b. Reduced cost of final products.
  - c. Comparable quality and performance with products produced using imported materials.
3. Details of technology imported during the last five years reckoned from the beginning of the financial year:
 

a. Technology imported	: Nil
b. Year of import	: Not applicable
c. Has technology been fully absorbed	: Not applicable
d. If not fully absorbed areas where this has not taken place. Give reasons for the same and explain future plan of action, if any	: Not applicable
4. Foreign exchange earnings and outgoings: As reported in serial numbers 3, 4 and 6 "notes forming part of accounts" Schedule - P.



## Report on Corporate Governance

Good governance is an integral part of corporate management. It is a process of building positive relationships with various stakeholders and involves conducting business in a fair and transparent manner. It also implies that the management must be empowered to drive the enterprise forward without undue restraint and operate within the framework of the applicable laws.

The detailed report on Corporate Governance as per the guidelines prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is as follows:

### 1. Company's philosophy on the Code of Corporate Governance

The Company is committed to a system of good corporate governance. It firmly believes and consistently practices good business principles by increasing transparency and accountability to its stakeholders, maximising shareholders' value and working towards a motivated work force with updated knowledge.

### 2. Board of Directors

#### 2.1 Composition of the Board:

Name of the Director	Category of Directorship
Mrs. N Malkani Nagpal	Promoter
Mr. H P Ledwani	Executive
Mr. N Srinivasan	Non-Executive and Independent
Mr. A T Malkani	Promoter
Mr. R A Mirchandani**	Promoter
Mr. Navroze S Marshall*	Non-Executive and Independent
Mr. Sanjeet Thadani*	Non-Executive and Independent

\* Since April 29, 2009

\*\* Till April 29, 2009

2.2 During the year 2008-09, four Board meetings were held on April 28, 2008; July 28, 2008; October 17, 2008 and January 30, 2009.

2.3 Attendance at the Board Meetings and last Annual General Meeting, Number of Directorships in other Companies and Memberships in Committees across various Companies:

Name of the Director	Financial Year 2008-09		As on 31.03.09 Other Directorships		
	Attendance At		Number	Committee Positions	
	Board Meetings	Annual General Meeting held on 24.06.08		No. of Memberships	Chairman
Mrs. N Malkani Nagpal	Four	Present	Five	Two	-
Mr. H P Ledwani	Four	Present	One	-	-
Mr. N Srinivasan	Four	Present	Seventeen	-	-
Mr. A T Malkani	Four	Present	Four	-	-
Mr. R A Mirchandani**	Three	Present	Four	One	-
Mr. Navroze S Marshall*	-	-	Ten	-	-
Mr. Sanjeet Thadani*	-	-	Two	-	-

\* Since April 29, 2009

\*\* Till April 29, 2009

Directorship includes private limited companies and alternate Directorship.

### 3. Audit Committee

During the year 2008-09, four Audit Committee meetings were held on April 28, 2008; July 28, 2008; October 17, 2008 and January 30, 2009.

#### 3.1 Broad terms of reference:

- To review the Company's financial reporting process and its financial statements.
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company.
- To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow up action is taken.
- To examine accounting, taxation and disclosure aspects as stipulated under various legislations.
- Recommend appointment/re-appointment of Auditors and solicit professional guidance and support, wherever required.

#### 3.2 Composition and attendance

The composition of the Audit Committee and attendance during 2008-09:

Name of the Director	Designation	No. of meetings attended
Mrs. N Malkani Nagpal	Chairman	Four
Mr. H P Ledwani	Member	Four
Mr. A T Malkani**	Member	Four
Mr. Navroze S Marshall*	Member	-
Mr. Sanjeet Thadani*	Member	-
Mr. N Srinivasan is a permanent invitee to the Audit Committee meetings.		

\* Since April 29, 2009

\*\* Till April 29, 2009

### 4. Remuneration Committee

The Remuneration Committee is an ad hoc Committee. The compensation payable to the Executive/Non-Executive Directors of the Company is decided by the Board of Directors and subsequently approved by the Shareholders.

#### 4.1 Remuneration to the Executive Director:

The remuneration of the Whole-time/Executive/Managing Director including annual increments is decided by the Board based on criteria such as industry benchmarks, the Company's performance and the track record of the Whole-time Director etc. They are subject to the approval of the Shareholders at the Annual General Meeting.

#### 4.2 Remuneration to the Non-Executive Directors:

Sitting fees payable i.r.o attendance at the meetings:

Details	Amount (Rs.)
Board	8,000
Audit Committee	5,000
Shareholders/Investors' Grievance Committee	4,000

## Report on Corporate Governance

They are also reimbursed expenses incurred towards travel/conveyance and accommodation in connection with the Board, Committee and Review meetings.

Details of sitting fees paid during 2008-09:

Director	Amount (Rs.)
Mrs. N Malkani Nagpal	68,000
Mr. N Srinivasan	52,000
Mr. Deep A Lalvani	13,000
Mr. AT Malkani	47,000
Mr. RA Mirchandani	24,000
Total	2,04,000

### 5. Shareholders'/Investors' Grievance Committee

#### 5.1 Functions of the Committee

The Shareholders'/Investors' Grievance Committee of the Board looks in to the redressal of Investors' complaints like non-receipt of annual report, dividend payments etc. and matters related to share transfers/transmission, issue of duplicate share certificates, dematerialisation/re-materialisation of shares and other allied transactions. The Committee has delegated powers to the Executives of the Company, to facilitate ease in operation and quick response.

#### 5.2 Composition of the Shareholders'/Investors' Grievance Committee:

Name of the Director	Designation
Mrs. N Malkani Nagpal	Chairman
Mr. H P Ledwani	Member
Mr. Sanjeet Thadani*	Member

\* Since April 29, 2009

#### 5.3 Number of meetings and attendance

During the year 2008-09, four Shareholders'/Investors' Grievance meetings were held on April 28, 2008; July 28, 2008; October 17, 2008 and January 30, 2009. Mrs. N Malkani Nagpal and Mr. H P Ledwani were present at the meetings.

#### 5.4 Compliance Officer

The Board has designated Ms. Geetha D, Company Secretary as the Compliance Officer.

#### 5.5 Transfer Committee meetings

Eleven transfer committee meetings were held during the year 2008-09.

#### 5.6 Statement of Directors shareholding as on 31.03.09:

Name of the Director	Shareholding (Nos.)
Mrs. N Malkani Nagpal	3,470
Mr. H P Ledwani	5,720
Mr. N Srinivasan	200
Mr. AT Malkani	48,039
Mr. RA Mirchandani**	Nil
Mr. Navroze S Marshall*	Nil
Mr. Sanjeet Thadani*	2,000

\* Since April 29, 2009;

\*\* Till April 29, 2009

#### 5.7 Details of Shareholders' complaints received/replied and pending share transfers are given below:

The total number of complaints received and replied to the satisfaction of the shareholders during the year 2008-09 were fourteen. There were no outstanding complaints as on March 31, 2009.

There are no pending share transfers in physical as well as in demat category. All requests received up to March 31, 2009 have been processed.

### 6. General Body Meetings

#### 6.1 Location and time, where the last three Annual General Meetings were held:

Financial Year	Date	Location	Time (hrs.)
2007-08	24.06.08	Hotel Ajantha, B'lore	11.30
2006-07	20.07.07	Hotel Ajantha, B'lore	12.00
2005-06	26.06.06	Hotel Ajantha, B'lore	11.30

#### 6.2 Dividend history: (Rs. lakhs)

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total amount
2007-08	Fifty	175	30	205
2006-07	Fifty	175	30	205
2005-06	Forty	140	20	160
2004-05	Thirty five	123	17	140
2003-04	Twenty five	88	11	99
2002-03	Twenty five	88	11	99
2001-02	Twenty two	77	-	77

### 7. Disclosures

#### 7.1 Materially significant related party transactions:

During the year 2008-09, there were no materially significant related party transactions with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

#### 7.2 Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Authority on any matter relating to the capital markets during the last three years:

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India and/or any other Statutory Authorities relating to the capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

#### 7.3 Affirmation

To the best of our knowledge, the Company has complied with all mandatory requirements pertaining to Corporate Governance.

### 8. Prevention of Insider Trading

The Company has adopted measures for prevention of Insider Trading. The same prohibits purchase/sale of shares of the Company by Insiders while in possession of unpublished price sensitive information.



## Report on Corporate Governance

### 9. Means of Communication

Particulars	Details
Half-yearly/quarterly financial results sent to each Shareholders' residence	No
In which newspaper quarterly and half yearly results are normally published	English: Business Standard and Financial Express Kannada: Sanjay Vani and Suryodhaya
Any website, where results or official news are displayed	www.adorfon.com
Presentations made to institutional investors or to analysts	Yes, whenever required
Whether Management Discussion and Analysis Report is a part of the Annual Report	Yes

A-288, II Stage, Peenya Industrial Estate  
Bangalore 560 058  
Tel: (080) 28360988, Fax: (080) 28362805

Share transfer agent:

Alpha Systems Private Limited  
No.30, Ramana Residency, Sampige Road  
Malleswaram, Bangalore 560 003  
Tel: (080) 23460816-18, Fax : (080) 23460819

Share transfer system:

The transfer of shares in physical form is processed and completed by Alpha Systems Private Limited within the statutory stipulated period. In case where shares are held in electronic form, transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.

### Distribution of Shareholding as on March 31, 2009

Nominal value (Rs.)	Shareholders Number	Percent	Amount Rupees	Percent
Upto 5000	5455	90.21	8429170	24.08
5001 - 10000	299	4.94	2487940	7.11
10001 - 20000	135	2.23	2052980	5.87
20001 - 30000	49	0.81	1259210	3.60
30001 - 40000	17	0.28	599800	1.71
40001 - 50000	29	0.48	1394950	3.99
50001 - 100000	30	0.50	2042370	5.84
100001 and above	33	0.55	16733580	47.80
Total	6047	100.00	35000000	100.00

### 10. General Shareholders' Information

Annual General Meeting:

Date : July 16, 2009

Time : 11.30 hours

Venue : Hotel Ajantha  
22-A, M G Road, Bangalore  
560 001

Equity shares listed at : Bombay Stock Exchange  
Limited, Mumbai

Book closure dates : July 6, 2009 to July 16,  
2009 (both days inclusive)

Dividend payment dates : July 17, 2009 onwards

ISIN : INE853A01014

Scrip code : 530431

Details of corporate office:

Ador Fontech Limited  
Belview, 7, Haudin Road, Bangalore 560 042  
Tel:(080) 25596045, 25596073  
Fax: (080) 25594601, 25597085  
Email: investorservice@adorfon.com

Details of plants:

S-60 and 61, MIDC, Hingna Industrial Estate  
Nagpur 440 016, Tel: (07104) 237260  
Fax: (07104) 236823

No. 486, B-1, 14<sup>th</sup> Cross, 3<sup>rd</sup> Main, 4<sup>th</sup> Phase  
Peenya Industrial Area, Bangalore 560 058  
Tel: (080) 28365751, 65600154  
Fax: (080) 28365752

Dematerialisation : Eighty two percent of the paid up  
of shares and share capital of the Company stands  
liquidity dematerialised as on March 31, 2009.

GDRs/ADRs/  
Convertible : The Company has no outstanding  
instruments GDRs/ADRs/Warrants or convertible  
instruments which are likely to have  
an impact on the Equity shares.

### Stock Price Data: BSE, Mumbai

Period	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April 2008	108.75	135.50	106.00	130.90
May 2008	131.40	134.40	122.00	130.35
June 2008	131.00	134.00	102.00	104.15
July 2008	103.75	110.00	96.55	105.50
August 2008	108.20	113.00	104.15	106.75
September 2008	106.00	110.95	93.25	97.25
October 2008	96.55	99.95	70.90	77.30
November 2008	76.10	84.95	69.00	73.25
December 2008	70.00	78.60	69.00	73.75
January 2009	73.85	78.65	66.00	73.75
February 2009	74.45	75.00	69.00	70.75
March 2009	73.45	75.00	67.50	71.80